

# IRS NEWS FOR BUSINESS

## August 2019

### ► UPCOMING WEBINARS

#### Thursday August 1

- **IRS Civil Enforcement: Field Collection Enforcement and Employment Tax Compliance**
- Register here: <https://www.webcaster4.com/Webcast/Page/1148/31123>

#### Thursday August 15

- **Understanding Form 2290 – Heavy Highway Vehicle Use Tax**
- This webinar will be broadcast in English and Spanish on the same day.
- English, register here: <https://www.webcaster4.com/Webcast/Page/1148/30891>
- Spanish, register here: <https://www.webcaster4.com/Webcast/Page/1148/31067>

### ► HOW TO SHARE IRS INFO ON SOCIAL MEDIA

When you find an article you want to share, click on “Share”. Like so:

- Scroll to the bottom of any page on IRS.gov. Look for “Share / Print”



- Click on Share
- You can share on Facebook, Twitter, or Instagram.

### ► NEWS

#### [Whistleblower Reforms Under the Taxpayer First Act](#)

- On July 1, 2019, the President signed the Taxpayer First Act into law. The new law includes several important provisions to help improve taxpayer service, ensure we are continuing to enforce the tax laws in a fair, impartial manner and ultimately support the continued success of our nation. The Act included law changes pertaining to the notification process to whistleblowers and made available protection for whistleblowers against retaliation.

#### [IRS expands list of preventive care for HSA participants to include certain care for chronic conditions](#)

- The IRS added care for a range of chronic conditions to the list of preventive care benefits that may be provided by a high deductible health plan (HDHP). Notice 2019-45 (PDF), posted today on IRS.gov, lists the new types of medical care that may be treated as preventive care for this purpose.

## **[IRS has begun sending letters to virtual currency owners advising them to pay back taxes, file amended returns; part of agency's larger efforts](#)**

- The IRS has begun sending letters to taxpayers with virtual currency transactions that potentially failed to report income and pay the resulting tax from virtual currency transactions or did not report their transactions properly.
- "Taxpayers should take these letters very seriously by reviewing their tax filings and when appropriate, amend past returns and pay back taxes, interest and penalties," said IRS Commissioner Chuck Rettig. "The IRS is expanding our efforts involving virtual currency, including increased use of data analytics. We are focused on enforcing the law and helping taxpayers fully understand and meet their obligations."

## **► TAX TIPS (to share with your clients)**

### **[Here's how individual taxpayers can view their tax account info](#)**

- Taxpayers with questions about their federal tax accounts can hop over to IRS.gov for answers. Individual taxpayers can login to the View Your Account Information page to view specific details about their federal tax account information.

### **[Here's what taxpayers should know if they get a notice from the IRS](#)**

- Certain taxpayers might get a letter from the IRS this year. It's called an IRS Notice CP 2000. It gives detailed information about issues the IRS identified. The IRS sends this notice when information from a third party doesn't match the information the taxpayer reported on their tax return. The notice also provides steps taxpayers should take to resolve those issues.

### **[Tips for taxpayers who have tax issues after filing their taxes](#)**

- While the federal income tax filing deadline has passed for most people, there are some taxpayers still facing tax-related issues. This includes taxpayers who haven't paid their taxes and those who are waiting for their refund. Here are some tips for taxpayers handling some of the most typical after-tax-day issues.

### **[Tips for taxpayers who make money from a hobby](#)**

- Many people enjoy hobbies that are also a source of income. From painting and pottery to scrapbooking and soapmaking, these activities can be sources of both fun and finances. Taxpayers who make money from a hobby must report that income on their tax return.
- If someone has a business, they operate the business to make a profit. In contrast, people engage in a hobby for sport or recreation, not to make a profit. Taxpayers should consider nine factors when determining whether their activity is a business or a hobby. They should base their determination on all the facts and circumstances of their activity.

### **[Here's what taxpayers need to know about backup withholding](#)**

- Taxpayers who receive certain types of income may need to have backup withholding taken from these payments. Backup withholding can apply to most payments reported on Forms 1099 and W-2G.
- Here are some facts to help taxpayers understand backup withholding and determine if they should have it withheld from their income payments.

## [Year-round tax planning includes reviewing eligibility for credits and deductions](#)

- Tax credits and deductions can mean more money in a taxpayer's pocket. Most people only think about this when they file their tax return. However, thinking about it now can help make filing easier next year.

## [Good tax planning includes good recordkeeping](#)

- Tax planning should happen all year long, not just when someone is filing their tax return. An important part of tax planning is recordkeeping. Well-organized records make it easier for a taxpayer to prepare their tax return. It can also help provide answers if a taxpayer's return is selected for examination or if the taxpayer receives an IRS notice.

## [Here's the 411 on who can deduct car expenses on their tax returns](#)

- Taxpayers who have deducted the business use of their car on past tax returns should review whether or not they can still claim this deduction. Some taxpayers can. Some cannot. Here's a breakdown of which taxpayers can claim this deduction when they file their tax returns.

## ► TAX REFORM

### [Publication 535, new chapter added on QBI](#)

- IRS Publication 535 was revised on July 24, 2019 and it includes Chapter 12 on Qualified Business Income.

## ► EMPLOYERS AND BUSINESS OWNERS

### [If your business receives a backup withholding notice](#)

- The IRS issues Backup Withholding CP2100 or CP2100A Notices to certain types of income payers. These notices let payers know backup withholding may need to begin for some taxpayers receiving the payments. For example, if a taxpayer identification number (TIN) is missing or in the instance of an incorrect name/TIN combination.
- For more information, see [Publication 1281](#).

## ► THE BEST OF IRS.GOV

### [Family Help](#)

- One of the advantages of operating your own business is hiring family members. However, employment tax requirements for family employees may vary from those that apply to other employees. The following information may assist you with pointing out some differences to consider.

## ► IDENTITY THEFT / DATA THEFT / SCAM ALERTS

### [Taxpayers should be on the lookout for new versions of these two scams](#)

- Taxpayers should watch for new versions of two tax-related scams. One involves Social Security numbers related to tax issues. The other threatens taxpayers with a tax bill from

a fictional government agency. Here are some details about these scams to help taxpayers recognize them.

## ► e-NEWS SUBSCRIPTIONS and SOCIAL MEDIA

### [e-News Subscriptions](#)

- The IRS offers several e-News subscriptions on a variety of tax topics. Click above for information about subscribing.

### [IRS Social Media](#)

- The IRS uses social media tools to share the latest information on tax changes, scam alerts, initiatives, products and services. Connect with the IRS through social media tools.

## ► TAX EXEMPT ORGANIZATIONS

### [Tips to help organizations understand the tax-exempt application process](#)

- Organizations that want to apply for tax-exempt status under Section 501(c)(3) of the tax code use a Form 1023-series application. Here are some things organizations should know to help them understand the process.

## ► NEWS FROM OTHER AGENCIES

From the SBA:

### [National Veterans Small Business Week](#)

- Save the date: Join SBA **November 4 - 8, 2019** to celebrate veteran-owned small businesses during the sixth annual National Veterans Small Business Week. This year's theme will highlight the veteran entrepreneurship journey and the many resources available to support their mission to successful business ownership.

### [Best Hiring Practices: What You Can and Can't Ask a Job Applicant](#)

- If you are in the market for a new employee, there are many considerations: Does the applicant have the skills to do the job? Will he or she fit into your company culture? These are great questions to ask. But in the course of your search for your next employee, be sure you don't run afoul of federal and state rules.